

Capital: Zagreb

Size: 21,823 square miles, slightly smaller than West Virginia

Population: 4.5 million (2001)

Population Growth Rate: 0.93% (2000)

Life Expectancy: males 70 years; females 78 years (2002)

Infant Mortality: 7.3 deaths per 1000 live births (2002)

GDP per capita (purchasing power parity): \$4,900 (2002)

Real Annual GDP: 0%

Foreign Direct Investment: \$1.4 billion (2001)

Unemployment: 16%

Religion: Roman Catholic, Eastern Orthodox, Muslim and others

Language: Croatian

President: Stjepan Mesic

Prime Minister: Ivica Racan

Ambassador to U.S.: Ivan Grdesic



National Interest: Croatia's progress towards democracy and a free market economy has regional repercussions. Croatia could serve as a model of cooperation with Bosnia and Herzegovina, Serbia and Montenegro. Croatia has been a staunch partner with the U.S. in its ongoing war against terrorism. USAID's role focuses on democratic and economic reform and the successful return of internally displaced persons and refugees.

OVERVIEW OF USAID'S FOCUS IN CROATIA

FY 03: Total AEED - \$30 million, USAID Total - \$25.6 million

Private Sector Growth (FY 03 \$11.0 million, 42%): USAID's focus in this sector encourages the growth of a dynamic and competitive private sector through the improvement of the macroeconomic environment for the private sector, technical assistance to private enterprises, and guidance on structural reforms necessary to increase foreign and direct investment to spur private sector growth and reduce high unemployment.

Effective Citizen Participation & Improved Governance (FY 03 \$5.1 million, 19%): USAID provides technical assistance to local governments on budget and management; provides local nongovernmental organizations (NGOs) with fundraising, management and outreach skills to ensure sustainability; assists parliamentarians and political party leadership in responding effectively and reaching out to their constituents; fostering a more effective and transparent political process; and works with the judiciary to remove administrative barriers that create significant backlogs.

Accelerated Return & Sustainable Reintegration of War Affected (FY 03 \$5.8 million, 22%): USAID's program to increase sustainable returns is concentrated in 10 selected municipalities that have demonstrated their commitment to minority refugee return. USAID's assistance includes the rehabilitation of basic infrastructure in return municipalities, and community-based economic programs that stimulate economic activity, create employment, and improve access to housing for returning refugees. The program activities include micro-credit services, entrepreneur training, computer training for youth, assisting farmers' cooperatives, and legal assistance to returnees.

Mitigation of Adverse Social Conditions and Trends (FY 03 \$3.1 million, 12%): USAID's Social Transition program is aimed at addressing expanding social ills and political disaffection originating from decades of socialism and post-independence economic contraction. USAID's efforts in the social sector include enhancing public awareness and support for the reforms in the pension system, supporting multi-stakeholders negotiations on labor and family laws, and strengthening organizations' capacities to raise awareness on HIV/AIDS and trafficking in persons (TIP).

Cross Cutting Initiatives (FY 03 \$0.6 million, 2%): USAID's assistance provides support across all strategic objectives in the areas of anti-corruption, good governance and transparency. Promotion of environmental partnerships with businesses, local governments, associations, and U.S. businesses and organizations is supported.

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